

For Chinese artists, to globalize or not remains a key question at the year end.

Page 8



The quality of imported Japanese consumer goods is creating controversy in China.

Page 7



Under the leadership of Milu, China finally realized the 44-year-old dream of qualifying for the World Cup Finals.

Page 5

BEIJING TODAY

FRIDAY DECEMBER 28, 2001

NO. 34

CN11-0120

HTTP://WWW.YNET.COM

Beijing: A Moveable Feast for the 21st Century

Dear readers,

The year 2001 has been a year of celebrations.

Beijing won its bid to be the host city of the 2008 Olympic Games, China's national football team won its ticket to the 2002 World Cup, and then finally last month China got its pass to the World Trade Organization.

The city of Beijing, along with the rest of China, has experienced its wildest and longest carnival ever since July 13. The music paused now and then but has never stopped.

We have to confess that we at *Beijing Today* are very proud to be here. For as young as we are, born on May 11, *Beijing Today* has had the honor to witness all these great events and to participate in this grand celebration of the city.

In the July 13 outpouring of ecstasy, we were delighted to capture your faces, our dear readers, white, black, and brown faces mingling with yellow faces, thousands of you rejoicing for the city where you now work and live.

Beijing was established in 1045 BC and has been the capital of a unified, powerful empire since 1271. Three thousand years of vicissitudes haven't made Beijing senile and doddering; the scent of the glory and the humanity of the past fill every corner of Beijing, from the Forbidden City to the quadrangles to the siheyuans in the hutongs. And now prospects and opportunities for the future are greater than anywhere else in the world.

Here I take the liberty of borrowing something from Ernest Hemingway, that is, his passion for Paris, and transfer it wholeheartedly to Beijing. For we, with an average age of 26, are as young as Hemingway when he was in Paris. If you are lucky enough to live in Beijing now, then wherever you go for the rest of your life you will carry it with you, for Beijing is indeed a moveable feast.

Beijing Today is happy to be the weekly menu of specials to the feast, to offer you everything you need to be successful and to poetically inhabit this great city.

The city will remember your youth, love, vigor, sweat, joy and tears.

We wish you a happy, healthy, and prosperous New Year.

Beijing Today Staff



Photo by Cui Jun

Economists Review 2001

China's Economy Expands as the World Sputters

By Yang Xiao

Economists act as summarizers and predictors, important roles that often influence policy makers. As the year 2001 ends, we present four influential Chinese economists (in alphabetical order) to analyze the economy.

Justin Yifu Lin: Director of China Center for Economic Research

Take part in the global division of labor

This November China entered the WTO. This means that China can use its industrial capacity to compete with developed countries. They always put their labor-intensive industry in developing countries. Developed countries' advantages come from capital-intensive or technology-intensive industries. We can take that as a rule. We will not manufacture hi-tech products but labor-intensive ones. And we will import advanced technology rather than conduct our own research-and-development to save the cost.

This year the decision to sell state-owned shares on the stock market was an important event. In June five ministries began to carry out the policy, which led to a dramatic drop in stock prices, as I predicted. In November, after the stock index had fallen nearly 40 percent to about 1600 points, the sale of state-owned shares was suspended.

Reducing the percentage of state-owned shares will adjust the structure of corporate ownership. But a lot of state-owned companies listed on the market show little ability to make profit. Under ideal conditions, the cost of raising capital by putting state-owned shares on the market should be more than the cost of borrowing capital from the banking system. But these companies cannot easily borrow from the banking system because they would have difficulty paying interest. The companies must improve their efficiency and their profit margins so investors are willing to buy their shares. Given these circumstances, the suspension of the sale of state-owned shares in November rejuvenated the stock market.

During the next year, I hope the government will continue policies that enlarge internal demand.

Liu Guoguang: Former Vice President of China Academy of Social Science

Speed slows after 9-11

The world economy began to



Chinese model Yu Na captures the attention of a German admirer in September in Berlin

Photo by Luke

difficult external conditions and maintained a high pace of development. Although there was a lot of internal debate, we have become a member of the WTO. This means that we will obey WTO rules and give up some national sovereignty, especially import tariffs. Given that seven or eight years ago we discussed every day whether to keep the market economy, this is great progress.

But even now we encounter problems with the planned economy. The government has the power of approval, which impedes efficiency. Although the government realizes this shortcoming, its interests need to be considered.

The problem involves the role of the government. The government is the representative of state-owned interests; at the same time the government acts as the referee in the economic arena. Under these conditions it is hard to maintain fairness among private companies, joint ventures, and state-owned companies.

Shareholders were treated more fairly this year than before. The China Securities Regulatory Commission strengthened supervision and management and punished some renegade companies. On the other hand, rural people were not treated so fairly so well. Government policies still favor urban citizens over farmers. For example, farmers cannot share the interest of the social insurance fund. So the distance between urban and rural living standards is enlarging. This serious problem needs to be addressed.

Wang Guogang: Vice Director of Center of Finance Research, China Academy of Social Science

Takeoff at the new century

We can look on China's entry to the WTO as a new beginning for the economy. China will face both opportunity and challenge when the world economy fluctuates.

I think the most important phenomenon is "gradually complying with established rules," which will influence public management policies, legislation, and market regulations. Government functions face a transition from a centrally planned economy to a market economy. From now on the government should not violate the established laws or rules. Companies can stop spending so much time worrying about their relations with relevant governments. We are happy to see the government has been complying with rules since the dawn of this year.

tion have remained strong. We still need to improve private investment next year; at the same time unemployment should receive serious attention.

Mao Yushi: President of Unirule Institute of Economics

Flying against the wind

This year China overcame

EDITOR: LIU FENG DESIGNER: PANG LEI

北京青年报
BEIJING YOUTH DAILY

Under the auspices of the Information Office of Beijing Municipal Government ■ Run by Beijing Youth Daily ■ President: Chen Xing ■ Editor in Chief: Zhang Yanping ■ Executive Deputy Editor in Chief: He Pingping ■ Director of the Editorial Department: Liu Feng ■ Price: 1 yuan per issue ■ 13 yuan for 3 months ■ Address: No.23, Building A, Baijiazhuang Dongli, Chaoyang District, Beijing, China ■ Zip Code: 100026 ■ Telephone/Fax: (010) 6590-2525 ■ E-mail: bjtoday@ynet.com ■ Hotline for subscription with Red Cap Company: (010) 6641-6666 ■ Overseas Code Number: D1545 ■ Overseas Distribution Agent: China International Book Trading Corporation

Overjoyed people on Tian'anmen Square on July 13

Photo by Chen Bai



Eyewitnesses to Beijing's Olympic Triumph

The Olympic Bid Changes My Whole Life

By Xiao Rong

"Most of my former dreams have come true in just one year through my work for Beijing's Olympic bid," said Wang Xing'an, associate professor at the Chinese People's Public Security University. He was the presenter of the "security" section of the bidding report.

November 19, 2000, as Wang said, became a turning point in his life when he received a call in America from the Ministry of Public Security inviting him to return to Beijing to work on the Olympic bid.

"I was planning to pursue my doctoral degree in security management at America's John Jay College of Criminal Justice, and my wife was then pregnant, which meant our future child could be born in the U.S. and acquire American nationality," he said. "But to me, life is an adventure to some extent, so I made the decision that later proved to be the right one. It has changed my whole life."

Five days later, Wang returned to Beijing with his wife. In the oral interview for the position, he impressed BOBICO officials with his confident and outgoing character. "I won the third place in the 800-meter race of the National Athletic Championships ten years ago, which is also an important experience for an Olympic bid presenter," said Wang. "It was a tough job to outline the bidding report, as China has never held Olympic Games before," Wang said. "Fortunately, however, I got precious help from my former American mentor, Mr. Robert McCrie, who is an expert at security management. He and his wife even flew to Beijing to help me with my report."

More good fortune for Wang was the birth of his son on February 20, when the Evaluation Commission (EC) of IOC was in Beijing. Learning the news from the daily press release of the BOBICO, Hein Verbruggen, president of the EC, extended his congratulations to Wang and gave an English name to the baby, Bob (Beijing Olympic Bid).

"Mr. Verbruggen sent me a postcard on which he wrote 'Bob, hopefully we will meet in 2008!'" Wang said. "I was greatly encouraged by his words and I even chose to wear China's

new police uniform to make the presentation. It was risky. Chinese policemen have long been regarded as impolite and uncivilized, so it could have produced unfavorable impressions during my presentation."

"My presentation was a huge success, which has totally changed the former unfavorable impression of Chinese policemen," Wang said. "Later, presenters from the other four candidate cities also chose to wear police uniforms for security presentations."



Bob's timely arrival helped his father's Olympic dream come true

After EC left Beijing, Wang and baby Bob became the darlings of media reports. But the story didn't end there. When Wang sent Verbruggen photos of Bob in April and asked him to be Bob's godfather, Verbruggen said he was very flattered and honored to be the "spiritual godfather" of Bob.

"I think the story between my little son and Mr. Verbruggen is really moving and friendly, which made me more confident about Beijing's future success."

Beijing did succeed, and Wang's ten-month-old son became the famous Olympic Bid Baby in China. "I'll teach him English for sure and I do hope he can attend the 2008 Olympic games," Wang said.

Wang himself has changed roles again by becoming one of the hosts of News Corporation's STAR TV, which has been permitted just this month to broadcast in south China's Guangdong province.

"I had lots of dreams in my school years, to be an Olympic champion, to be the cover figure on newspapers and magazines, to be a TV host, and to be a lawyer before the age of 40," Wang said. "Unbelievably, however, due to my involvement in the Olympic bid, most of my dreams came true in just one year, and four years earlier than I had hoped."

Wang is now studying law to address his dream of being a lawyer. "Life is ready for those who are prepared," he said.

"Though I cannot be an Olympic champion now at the age of 36, I did my part to help Beijing win the Olympic bid, which can help more Chinese fulfill their Olympic dreams."

Major Events

6 September 1999 — Beijing 2008 Olympic Games Bid Committee (BOBICO) is established in Beijing.

1 February 2000 — Logo, motto and website of BOBICO are officially launched.

24 February 2000 — Meeting between IOC and applying cities, where new bidding procedures and a questionnaire for the applying cities are released.

19 June 2000 — Submission of answers to the questionnaire to the IOC by BOBICO.

28-29 August 2000, Lausanne — Acceptance of candidate cities by the IOC Executive Board. The candidate cities are Beijing, Istanbul, Osaka, Paris and Toronto.

1 September 2000 — IOC sets up the Evaluation Commission to assess the five candidate cities and their capability to host the Games.

9 September 2000 — Chinese President Jiang Zemin writes to IOC former President Juan Antonio Samaranch to express the Chinese government's support for Beijing's bid.

15 September to 1 October 2000, Sydney — Games of the XXVII Olympiad, 2000. China wins 28 gold medals and ranks third on the medal tally.

13 December 2000, Lausanne — Ten-minute presentation by BOBICO to the IOC Executive Board.

17 January 2001 — Submission of candidate file to the IOC.

2 February 2001 — A poll made by Gallup (China) Research, Ltd. shows 94.9% of Beijing residents support Beijing's Olympic bid.

Mid-February to mid-April 2001 — Visits of the IOC Evaluation Commission to the candidate cities.

20-25 February 2001 — IOC Evaluation Commission visits Beijing to inspect the city's ability to host the Olympic Games.

15 May 2001 — Report of IOC Evaluation Commission to the Executive Board. Beijing's bid is appraised as "excellent."

23 June 2001 — The Three Tenors perform at Beijing's Forbidden City in support of Beijing's Olympic bid.

13 July 2001, 112th IOC Session, Moscow — Beijing is elected to be the Host City of the Games of the XXIX Olympiad in 2008.

Defeat Helps Me Grow Up

By Xiao Rong

Cong Xinzhu was one of 12 Beijing chorus members who burst into tears in Moscow on July 13 on hearing the news of Beijing's Olympic bid success. As a 14-year-old, she had been in Monte Carlo eight years earlier crying over Beijing's missed opportunity to hold the 2000 Olympic Games.

For the 22-year-old senior at China Central Conservatory, the two tearful occasions left quite different memories. "Of course I am more impressed by the Monte Carlo miseries. We didn't expect a defeat for Beijing. We just seized every chance to sing songs like 'Ode to the Olympics' and 'Good Luck, Beijing' for IOC members."

Cong and the Children and Young Women's Chorus of the China National Symphony Orchestra deeply touched everyone in Monte Carlo with their lovely songs in support of Beijing's bid for the 2000 Olympic Games. Still, the prize went to Sydney by a mere two votes.

"Defeat helped me grow up," Cong said. "Even if Beijing had won the bid at that time, we may not have held as excellent an Olympics as Sydney did. But things are quite different now. I'm sure the best Olympic Games belong to Beijing because we still have seven years to work on it."

With this conviction, Cong composed a song last February called "New Beijing, Great Olympics" to express her past sorrows over Beijing's defeat and her current hopes for the city's success. "It was a long-held wish. I was just finishing what we started eight years ago," Cong said.



Cong, upper right, cheers for Beijing's success with her fellow choristers

With Cong's leadership, the 12 Beijing girls who sang in Monte Carlo in 1993 reunited in Beijing and recorded the song onto CD earlier this year.

"We worked together very well even after eight years' separation," she said. "And the CD was later sent to IOC members around the world to show our support for Beijing's Olympic bid."

Cong didn't mention the trouble of finding her former fellow choristers, three of whom were abroad.

But her face lit up when she spoke of her Moscow experience. "Any kind of promotion was forbidden before the vote, but after our success, we could not help singing out," she said. "Tears ran down our faces, but this time for joy. We sang the song at the celebration party and some people in the audience cried because of all the emotion they were feeling."

Cong was the oldest singer in the newly organized 12-member Beijing girls' chorus chosen by BOBICO, and also one of the two who attended Beijing's Olympic bid for the second time. What's luckier is that she was also chosen to participate in the torch relay race at next year's Winter Olympic Games in Salt Lake City.

"I have always been lucky up until now, but the unforgettable experience of witnessing the failure of our country's Olympic bid really taught me a lot," she said. "At least I have learned to be positive when suffering setbacks in my future life."

Not a sports fan before, Cong has been keen on watching gymnastics and diving competitions on TV since 1993. "I now practice running every week, though not every day, to prepare for the 300-meter torch relay race next month. It's a lot of trouble, because I always failed in my physical education class during school years," she said as she smiled.

Small and big toys, which she collected during trips all over the world, are everywhere in the young girl's room. "To travel abroad is OK, but I will not choose to stay abroad because China is my country," she said.

"I'm not ready to compose a song for the 2008 Olympic Games because lots of changes are still in the works in Beijing," she said. "I will cherish the opportunity later."

Beijing's long, successful march to an Olympic bid may be one of the most significant events for China and even the world in 2001. No words can fully describe the explosion of joy from millions of Chinese on that unforgettable July 13 when victory was achieved.

But other events before and after that special day should also be remembered. Here we present three ordinary people and their unique stories about the Olympics: a young girl who matured after Beijing's first defeat and expressed her Olympic wishes through her music, a retired journalist who cherishes his hard work for the Olympic bid as the most brilliant part of his career, and a university teacher whose life has been totally changed by the Olympic bid.

Perfect End to My Career

By Xiao Rong

As a sports journalist and editor for nearly 40 years, Feng Guijia, former vice editor-in-chief of China Sports News, has been to numerous big sports events. But he considers the most important work of his career his contribution to Beijing's Olympic bid as the Chinese language editor-in-chief of the BOBICO website.

"The one and a half years of Olympic bid work is really a great honor and precious experience in my sports reporting career," he said. "I will never forget July 13, when Beijing fulfilled its long-awaited dream to win the Olympic bid."

Feng was in Moscow then and he recorded with his camera the precious moments when everyone was cheering, laughing and crying.

"I was like everyone else, very excited and joyful, but as the editor-in-chief of the BOBICO website and also a reporter, I had to keep calm and try to convey the great news to the world," he said. "Our website was the first to release the news of Beijing's success."

But Feng could not hold back his tears when he saw the 12 Beijing choristers crying. "I was so moved by the sight that I could hardly control my emotions," he said. "It was with tears that I took up my camera and recorded that touching moment."

The triumphant moment was short, but the preparation was tiring and tedious. "Our task was to collect news reports from Beijing media and news bulletins from the BOBICO, from which we chose suitable ones to release online. Sometimes we had to stay up late until the final

news releases of Xinhua News Agency were finished."

Besides posting reports from other sources, Feng started original columns like "Messages from Celebrities."

"I have learned a lot from those celebrities and their passion and seriousness about Beijing's Olympic bid," he said.

Feng himself is quite conscientious about his work. Knowing his mother was badly ill this June, he hurried back to his hometown in northeast China's Liaoning province. But he stayed for only three days before returning to Beijing to continue his work. Not until after July 13, the day of Beijing's great success, did he call home and learn that his mother had passed away.

"I really felt regret about my mother, but I know she will support me for my devotion to Beijing's Olympic bid," he said. "I didn't even tell my bosses about my mother's illness, because I didn't want to burden them."

Sixty-three-year-old Feng Guijia is the oldest member of the BOBICO. "In spite of my age, it's a great pleasure to work with so many young people who are energetic and innovative," said he.

"It's really an unforgettable and honored experience for me to be able to participate in the Olympic bid, which has become an indispensable part of my career."



Feng, far left, and his BOBICO website team

The Chinese business credit system faces an unprecedented challenge when China officially joined the World Trade Organization (WTO) to become the trade club's 143rd member after a 15-year wait in the year 2001.

The great changes started on November 11, when Shi Guangsheng, Chinese Minister of Foreign Trade and Economic Co-operation signed his name at Doha. Chinese enterprises suddenly encountered worldwide competition. Distinguished economist Zhang Weiying of Peking University ironically pointed out that credit standing is just the core competitive strength of Chinese business together with complementary information assets.

Looking back over the year 2001, scandals on the share market occurred almost every month. A Nasdaq listed company was exposed as cheating, and the notorious behavior of a moon-cake maker ruined everyone's appetite. On the WTO calling of business credit, Prof. Zhang warned, "In the future of intensified competition, credit crisis will be the biggest challenge for Chinese enterprises."



China became an official member of WTO on November 11, 2001

Photo by Cheng Tieliang

By Xiaoxia and Zhao Pu

Moon Cakes Scandal

Guanshengyuan, a famous food maker, was forced to take a bitter bite of its own moon cakes before they could be sold for the Mid-Autumn Festival, which fell on October 1. CCTV revealed that Nanjing Guanshengyuan Food Company had been making moon cakes using filling from last year's unsold ones. The producer had frozen the used stuffing and mixed it in with the raw material for the new cakes this year.

The news outraged people all over China, and moon cakes carrying the brand Nanjing Guanshengyuan were shunned by all consumers. On September 5, two days after the CCTV report on the scandal, the Nanjing moon cake producer had to stop its production line.

The damage went beyond Nanjing, capital of east China's Jiangsu province. Guanshengyuan is a traditionally famous brand of moon cakes in China. More than 20 food producers around China share the same brand name, which was almost a license to print money.

In Shanghai, Chengdu and other big cities, Guanshengyuan suffered sales losses, as consumers could not tell them apart. The scandal involved the whole Chinese moon cake market. It is estimated the sales volume of moon cakes this year fell by 40%, representing sales worth 16 to 20 billion yuan.

Netease.com Halted

A false financial report suspended Netease (NTESE), one of three Nasdaq-listed Chinese portals, in the U.S. stock exchange on September 4. Netease's earlier report was deemed false in May. In its revised report filed at the end of August, the company revealed that its net loss for 2000 was 18 percent wider than previously reported and restated its financial results after an auditor determined it had improperly recorded US\$4.3 million in revenue.

The figures for the previous annual report of Netease released on March 1 could be regarded as misleading to investors, and those people are justified in receiving compensation for the false reporting of Netease, an analyst pointed out. Shareholders' losses were estimated at US\$5 million, and some analysts believe the damage to investors' confidence would be profound.

It will be hard for Netease to explain to the NASDAQ hearing board why more than half of its revenues are gone. Even if it succeeds, the company may be faced with severe punishments from the US stock market and lawsuits from its investors, analysts predicted.

Yinguangxia's Luck

Another cheater named Yinguangxia (0557) is luckier than Netease, but only because it was listed in China. Yinguangxia was

found to have increased its profit by 745 million yuan (US\$90 million), a much higher sum than that of Netease. It resorted to more damaging tricks than the portal. After being suspended for only one month, trading in its stocks resumed on the Shenzhen Stock Exchange.

Yinguangxia was one of the best stock buys in recent years. At the date of flotation, December 12 1999, the price was only 13.97 yuan. One year later on December 29 2000, the price rose to 37.99 yuan, or 75.98 yuan per share, due to the habit of splitting one share in half. It rose over 440% and was the 2nd best performing stock. The profit per share increased to 0.827 yuan after splitting the shares in half. Why were a lot of investors eager to buy the stock? Look no further than Yinguangxia's well-arranged annual reports and notices. Yinguangxia spent 2 years making a trap for all its minority shareholders. In 2001 the boasts became ridiculous.

The fabrications of Yinguangxia were unveiled on August 2 by Business & Finance Review. After its suspension for 1 month, it broke the record of China's securities market by undergoing a consecutive 15-day drop from 30.79 to 6.35 yuan per share. Its minority shareholders were enraged and about to submit a collective lawsuit in September, but this was foiled by the Supreme Court issuing a notification that lawsuits concerning fabrication in the securities market would not be heard at present due to insufficiency of relevant law and court personnel. The lawsuit against Yinguangxia was thus aborted. With most of the minority shareholders disappointed, some optimistic ones still look forward to a more active response from the court in the coming year.

The Yinguangxia Incident is not an individual phenomenon. The Zhengbaiwen (600898), ST Zhongke (0048), Yi'an (0008),

WTO Calls for Business Credit



In other cities, Guanshengyuan also suffered sales losses after the moon cakes scandal

Photo by Yang Zongyou



Tianjin Customs shows proof of Yinguangxia's false business profits

Photo provided by Beijing Youth Daily



A disappointed stockholder drinks mineral water in front of the "green screen" at a stock exchange in Nanjing

Photo by Lu Yun

Moral And Legal Loopholes Blamed

Moral factors and loopholes in legal systems are both conducive to the present situation of the credit crises in the domestic market. Ye Lin, commercial law professor at the Law School of People's University of China gave his opinions to account for the credit crisis in the Chinese market.

Ye said that the sense of faith in fair play and credit is in the doldrums at present due to some historical and cultural reasons. Not only the entrepreneurs, even the market management organs have insufficient consciousness of business credit. The moral problem cannot be solved in a short time.

Many local Chinese companies focus on short-term gains. The basic problem is that an honest and transparent business environment has not been established due to the lack of attention the companies pay to the integrity of their brand names and image. The establishment of such a business environment is crucial to building up consumer confidence.

Yinguangxia's luck is definite proof of the existence of loopholes in the legal system which ensures fair play in the stock markets. No capital market in the world can be totally free from illicit activities, but in a mature market, those who are caught will pay the price by finding themselves involved in law suits, fines and compensation that could make them bankrupt. If Yinguangxia faced the same fate as Netease, the Chinese stock market would have never encountered such a loss.

According to current Corporate Law, companies that provide false business reports will be subjected to fines between 10,000 and 100,000 yuan (US\$1,200-12,000). Compared to the large amounts of money these companies have made illegally, the fines hardly affect them. Many listed companies understand this and this is why they appear willing to take the risk.

Way to Build Credit

Some far-sighted entrepreneurs have pointed out that the key to establishing sound social credit lies in the self-discipline of enterprises. It is necessary to overcome short-term actions and give thought to the long-range development of enterprises. Liu Yonghai, vice-chairman of the All-China Federation of Industry and Commerce, said that credit has to be accumulated little by little; people and enterprises who keep good faith will be successful in the end.

Prof. Zhang Weiying of Peking University added his opinion that in order to ensure business credit of the enterprises, three conditions are essential: First, an enterprise must have a specific owner who really cares about the business credit of the enterprise in consideration of getting the surplus value out of it; secondly, the name of the enterprise must be tradable and the ownership of it transferable; thirdly, the freedom of entry and withdrawal should be guaranteed.

The establishment of a credit system in the domestic market has become an essential task for both the government and the enterprises. Great efforts have been made in the past year to accomplish this mission.

Shanghai introduced credit archives for its 600,000 enterprises in September 2001. A forum on the Chinese Credit Economy was held during the second Beijing Chaoyang International Business Festival from September 19 to 22. A trial version of the credit system was later implemented in Zhongguancun Science Park in Beijing on December 1. China's first specialized export credit insurance company was unveiled last week in Beijing in a bid to stimulate the country's export growth. September 19 has been designated Honesty & Credit Day in China.

After all, China already stands inside the gate of the WTO, looking forward to more involvement in world trade. As Lu Guanqiu, an entrepreneur from east China's Zhejiang province once said, "Credit should be the first business card introducing China to WTO."

Lantian (600709) and some other listed companies have their own stories.

The announcement on an accounting information quality sample survey recently published by the Ministry of Finance shows 155 of the 157 enterprises surveyed had the problem of false reporting on their profits. It is clear how serious the case of false figures and information is. These cheating and fabrications greatly hurt shareholders' confidence and also contributed to an historic downward turmoil in the domestic stock market, which dropped from 2245.43 to 1607.08 points from June 14 to December 24, a decrease of 30%.

Breaking Faith Entails Endless Woe

Credit crisis has become a big obstacle to China's current economic development. The serious deterioration of social credit has brought at least three negative effects to China's economic development, according to the analysis of Zhao Haikuan, honorary director of the Financial Research Institute of the People's Bank of China.

Firstly, making it impossible for the normal proceeding of the enterprise's commodity production and exchange. Secondly, credit deterioration makes it impossible for the normal progress of banking business. Without credit, it is also impossible for the generation and development of fictitious capital and for the market economy to advance to a higher stage.

In the report to the Fourth Session of the Ninth National People's Congress (NPC), Chinese Premier Zhu Rongji put the vigorous rectification and standardization of the market order in an important position. Zhu called for "vigorous promotion of honest and faith-keeping professional ethics and accelerating the establishment of a sound social credit system".

By Zhu Shida

The September 11 terrorist attacks on New York and Washington caused an immense shock to American society. Its impacts on American socio-cultural psychology far surpass the material damages it caused. The first major war in the 21st century has to a greater extent changed the orientation of American politics, diplomacy, society and culture.

It is a shock, first of all, to American exceptionalism. Americans used to think that America was geographically distant from conflicts, political or ethnic, in other parts of the world. They never expected that attacks could take place in New York, its business and financial heart. Their God-chosen country is no longer exceptional and immune to outside attacks. The American sense of security was immensely shaken.

The American idea of an open society has been challenged. Americans will not allow terrorists to make use of the privileges of an open society in order to destroy it. The United States cut the number of entry visas issued and began to closely monitor the activities of aliens in the country, the 500,000 foreign students in particular. The Bush administration asked for more power to detain and expel non-citizens in light of their political background and activities. The plan to grant amnesty to eight million illegal immigrants will be indefinitely postponed.

There will be strained relations between Arab-Americans and other ethnic groups in the country. According to statistics from the Anti-Discrimination Committee of Arab-Americans, there have been 300 reports of discrimination against Arab-Americans across the country, including three murders. Of 25 countries where students applying for visas will be under closer scrutiny, most are Muslim. Federal representatives are visiting 200 college campuses to check on foreign students. The Attorney General has announced plans for an anti-terrorism task force, assisted by local law enforcement officials, to interview some 5,000 men between the ages of 18 and 33 who entered the country after Jan. 1, 2000.

Religion and race are the potential factors that complicate the current war against terrorism. Though George W. Bush is careful enough to disassociate the current war from its religious and racial implications, his opponents have always reaffirmed it as a holy war, a war against the American and Jewish infidels. The Americans are now in a fix in which they disavow the religious and racial nature of the anti-terrorist war while on the other hand their opponents, the fundamentalists, vow to carry out a holy war. It is harmful to identify Islam with extremism and terrorism. The United States must be on guard against such a tendency since the Moslem population has risen from 500,000 in 1970 to 7 million today. Arab-Americans account for 40%, and African-Americans 30%.

The United States will have to rethink about its practices relating to civil liberties. It will be part of the direct impact on its political culture and values. The Bush administration, in a sort of "imperial presidency" as Arthur Schlesinger Jr. said of the 1973 Nixon's administration, seeks to augment White House power, including initiatives to limit intelligence briefings to members of Congress and expand its power to monitor and detain those it suspects of terrorism. It refuses to disclose more information about individuals being held as part of the terror probe, or with its plans to eavesdrop on conversations between some inmates and their lawyers. Groups might be singled out for investigation based on age, gender, ethnicity, religion or geography. President Bush ordered the establishment of military tribunals to try non-citizens accused of terrorist crimes in the United States and abroad.

American society now stands more united than ever before in its war against international terrorism. The Democrats and the Republicans have stopped attacking each other and there is unprecedented bi-partisanship in Congress. The anti-terrorist war and the national interest overpower any other issue. Unity against the common enemy of the nation is one of the characteristics of American patriotism. American patriotism features defense of an idea, the idea of democracy and liberty, rather than that of the national physical territory. President Bush has enjoyed about 90% approval ratings in

The Impacts of September 11 Terrorist Attacks on American Society and Culture



Photo provided by 2001 Jake Rajs

polls since September 11.

The United States will have to rethink its role in economic globalization. Facts show that political chaos and poverty, coupled with lack of education, is the hotbed for Islamic fundamentalism. As some poor and weak nations get weaker and poorer due to economic globalization, the developed nations, the United States in particular, should think of ways to help them in a moral-driven approach -- to help them to get rid of poverty and assure education for all their children. To this end, it might be advisable to establish a contemporary equivalent of the Marshall Plan after the Second World War, embracing economic as well as educational issues in Central Asia and Pakistan. This will be the fundamental way to eliminate international terrorism.

On China-U.S. relations, the September 11 incident shows that China and the United States share a common interest in anti-terrorism. The United States may seize this opportunity to enhance its ties with China, the most populous nation with great economic potentials. China needs American support in its struggle against the East Turkistan separatist elements.

The Bush administration will have to change its opinions of China as its major adversary in the world. It has to consider the most pressing issue of national security now. The United States needs China's help in anti-terrorism and the preservation of security in Asia and the rest of the world.

The United States needs to discard the language of power politics and establish ties of mutual trust with China. Such trust lies in the common struggle against terrorism, such as improved sharing of information and on-the-spot coop-

eration. It must be pointed out that of all the factors that govern the bilateral relations, the economic factor is the most basic. The bilateral annual trade amounts to 74.4 billion U.S. dollars. About 40% of Chinese exports are destined for America. In the meantime, the United States is the biggest investor in China. The huge Chinese market potential is a great lure to American capital. Any fluctuation in the bilateral economic relations may affect global trade and finance, and bilateral politics and diplomacy. The economic factor plays a decisive role in policy choices by both.

It must be likewise pointed out that the basic political and ideological (or value) differences that exist between the two nations will not change. They will remain to exercise impacts on their bilateral relations. They only become secondary in face of the common interest in anti-terrorism and an America in time of war.

As there is so far not a clearly defined definition of terrorism and the targets of anti-terrorist attacks are shadowy, the United States, the only superpower of today's world, may monopolize its interpretation and the international political discourse, furthering its unilateralism in international affairs. There will be a danger of the United States holding its political sway and proceeding with a double standard in anti-terrorism. It is advisable and necessary to have the international struggle against terrorism proceed within the framework of the United Nations.

(Mr. Zhu Shida is the research fellow of the Institute of American Studies and Director of the Department of American Social & Cultural Studies, Chinese Academy of Social Sciences - CASS)

9.11 Terrorist Attacks Chronicle of Events

Planes crash into NY World Trade Center towers, Pentagon and in Pennsylvania (09/11/2001)

Two civil airliners crashed into the upper floors of both World Trade Center towers minutes apart Tuesday morning in a horrific scene of explosions and fires that left gaping holes in the 110-story building.

A third aircraft crashed to the Pentagon.

A fourth aircraft, a 747 jetliner on a flight from Chicago to New York, crashed in the countryside of Somerset County, western Pennsylvania.

FAA imposed "national groundstop" order (09/11/2001)

The US Federal Aviation Administration (FAA) issued a "national groundstop" order halting all plane departures in the United States. It was the first national groundstop in US history.

Jiang phones Bush, expresses deep sympathy (09/12/2001)

At midnight Tuesday, September 11, Chinese President Jiang Zemin conveyed a message to US President George W. Bush in which Jiang expressed deep sympathy to the US President, the US Government and people for the disastrous terrorist attacks. He also expressed condolences to the family members of the victims.

Bush delivered national speech, calling on a national rescue (09/12/2001)

Bush outlined the suspect behind the attacks (09/12/2001)

President George W. Bush condemned terrorist attacks in New York and Washington as "acts of war", pointing to suspected terrorist Osama bin Laden, harbored in Afghanistan.

US Congress vowed to step up war on terror (09/13/2001)

A bipartisan resolution vowing US retaliation for the terror attacks won congressional approval in the early hours of Thursday.

US special forces 'land in Pakistan' (09/16/2001)

Bush wants bin Laden 'dead or alive' (09/18/2001)

UN council tells Afghanistan to hand over bin Laden (09/19/2001)

Anthrax terror started spreading in US (09/25/2001)

US started bombing on Taliban's frontlines in Afghanistan (10/08/2001)

An A300 crashed in New York, reminding people of the 9.11 disaster (11/12/2001)

Bonn Conference on Afghanistan closed with loaded results (12/05/2001)

Under the flag of the UN, all Afghan political parties except the Taliban, reached agreements regarding the establishment of a new national government, detailed lists of new cabinet members and the function of the exiled King Shar.

US released footage linking bin Laden to terrorist attacks (12/14/2001)

US failed to catch bin Laden as stronghold falls (12/17/2001)

Moussaoui kept in jail pending trial over Sept. 11 (12/19/2001)

Zacarias Moussaoui, the first person indicted in the Sept. 11 attacks, should remain in jail pending trial on conspiracy charges that carry a possible death penalty, a U.S. judge ruled.

New Yorkers gathered in memorial for the victims in the 9.11 catastrophe (12/21/2001)

Bush vowed bin Laden will be found, predicting the "war year" of 2002 (12/21/2001)

Rudolph Giuliani, mayor of NY, was chosen by Time magazine as the "Person of the Year" for his outstanding performance after the 9.11 terror attacks (12/21/2001)

Four platforms built aside the ashes of the WTC towers for visits and condolences (12/22/2001)

Bomb suspect overpowered on transatlantic flight (12/22/2001)

A suspected suicide bomber was found and arrested on board a Boeing 767 carrying 185 passengers and 12 crew from Paris to Miami

Bin Laden reappeared in video tape (12/26/2001)

A Qatar-based television station aired excerpts of a videotape on December 26 of Osama bin Laden, adding a new twist to rumors about his whereabouts and whether he even is still alive.

By Chen Ying / Jiang Zhong / Sun Ming

After 44 years of struggle, China finally realized the long-held dream of qualifying for the World Cup Finals, to be held in Japan and South Korea next year. In October this year, at the seventh attempt, success finally came China's way. And under the leadership of a Yangjiaolian (foreign coach). China's rejoicing boiled over, and people took to the streets in celebration.

So many people and moments are worth remembering during China's long march to the Finals, not least the participation of the foreign coaches. Until this latest competition, China had competed in six qualifying tournaments from 1957 to 1997, but it is probably better not to dwell on the bitter memories of defeat and loss!

Since the first foreign coach, German Klaus Schlappner paved the way, more and more foreign coaches have been attracted to sign contracts with Chinese League sides. Without doubt, the Chinese game has improved in leaps and bounds since the 90's, when foreign involvement really took off.

Yugoslavian Bora Milutinovic became the third to take on the job in January 2000, following on the heels of Schlappner and Briton Bobby Houghton.

Milu is the only man to lead four different countries, Mexico (1986), Costa Rica (1990), the USA (1994) and Nigeria (1998), into the second round of the World Cup Finals. All were relatively weak teams when Milu took them under his control, valuable experience for coaching the Chinese National team.

After a short honeymoon with the press and fans, Milu faced mounting criticism over his management style and methods of player selection, especially since China's ultimate goal was to secure their place in the 2002 World Cup Finals.

Fans and the media were furious after China was defeated by North Korea August this year. Milu countered by stating that if China failed to qualify, he would jump off the Great Wall! If he failed, thousands of Chinese fans would be lining up behind to push him!

The victory against the United Arab Emirates in their opening game of the second round qualifiers August 25 silenced his critics for a moment. But the victory would have meant nothing if they couldn't win their second group B game against Oman, in Muscat August 31.

"If we lose this game I think that I'll be sacked", Milu said as his team prepared to face the Omanis. "I believe my successor has already been chosen. He is waiting to take my place if we lose."

But the 'marvelous coach,' as Chinese people call him, gained some breathing space as all went according to plan. China led its qualifying group and gained its place in the Finals with two games in hand. And Milu's reputation remained intact.

How did Milu succeed where other-



Marvelous Milu comes up smelling of roses

ers before him had failed? Perhaps his most important contribution was to increase the maturity of the players, both technically and psychologically.

In the past, players used to worry about the result of a game. Plus local coaches often made the atmosphere before a game so intense that it adversely affected the players' mood. Conversely, foreign coaches taught players to conquer their psychological fears. That doesn't mean they don't care about the result, but means they can consider it on a more reasoned level.

Milu developed this idea and took it to a more sophisticated level. First he gained absolute control from the CFA (Chinese Football Association). He uses a so-called 'happy football' theory to encourage players. He even had the team watch a movie before the first qualifying game to give them inspiration and calm their nerves.

Milu indulges in an interesting game he calls tennis-football, and he always invites his players to join him. The rules of the game are similar to tennis, except a football and feet are



Yu Genwei's shot takes China into the World Cup Finals

used instead of a ball and rackets. Most players refused to play such an awkward game at first. The few players who did join in thought they would

be able to finish quickly by beating the old guy! They were wrong! Milu wanted to show these young people how dramatically their mood could affect the result of a match. Milu has many such tricks; he has successfully improved Chinese players' mental ability through these games.

Now let's make a deduction. The CFA employed him for his fame. His fame lets the Association believe him. The belief permits him to put his autocracy into action. The autocracy allowed him to tackle many of the restraints and problems his predecessors had difficulty with, and to build his authority. The authority makes the players submit to his orders. This submission helps him promote his principles and concepts more easily. These new ideas adjust players' psychology. This in turn leads to victory. The victory keeps his miracle alive; this makes him the first successful coach of the Chinese National Team.

Milu is a cunning man. You never know what he will do. But he is superb at his job. We can learn from Milu's lessons, against the day when we no longer have him.

Schlappner and Houghton

The Chinese National Men's team employed its first foreign coach, Klaus Schlappner, in 1992. Even Schlappner didn't expect the enthusiastic welcome he received from Chinese fans when he arrived. Fans were so disappointed with their National team, that they put great hopes on the arrival of a foreign coach.

Schlappner had little success with the team his first year, and he left China in 1993. But in that year, he showed them some of the basic concepts of a professional football team, such as modern management practices, how to pace physical training, and how to provide a proper diet for players.

Schlappner's failure helped Chinese fans to get over their blind worship of foreign coaches. They began to realize that foreign coaches wouldn't necessarily have all the answers.

So when the second foreign coach, Bobby Houghton came to the team in 1998, Chinese fans didn't pay him much attention. In this sense, Houghton was not as fortunate as Schlappner.

Houghton brought a theoretical approach to football, an aspect which had been neglected in the Chinese game for a long time.

One team member said that he and his colleagues hardly knew how to run a campaign before Houghton arrived. He continued, "We just kicked balls according to the team formation. Actually, we didn't have much sense at all of our location on the pitch. But after Houghton came we knew the battle array clearly and understood how to campaign."

Another team member said they always took notebooks to Houghton's theory classes, a practice that was rare before.

Like Schlappner, Houghton couldn't guide the Chinese Men's team to success in the Asian qualifying group, and he left in 1999. Some experts said that he couldn't combine his rich practical theories with the practicalities of Chinese football. "What we had were just theories," said one Chinese fan. "We need doers."

Photos by Hu Jinxi

View from the Touchline

Many of the current players and coaches participated in both the 1993 and 2001 campaigns. They all acknowledged the great changes Milu had brought to them.

Jin Zhiyang is one of the members of the Chinese National Team coaching squad.

Milu taught us how to lift our game; he also changed our training methods and improved our understanding. He enlightened us that a football match can and should be full of fun.

The National side has played a total of 41 games since Milu took control. Never had so many been played in one year, and the players had to learn to find release from match stress, especially after the game against Korea.

Fan Zhiyi, captain of the National Team

All the squad had an equal chance of starting the game, and they all wanted to see their name on the starting list so badly, because they no longer fear any opponent. In 1993 and 1997, most of them didn't know what they should do in a match and it was

not so important for them as it is today to see whether their name is included on the starting list or not.

Ma Mingyu, another member of the National Team

Milu taught the players nothing new but what they were apt to ignore, such as the importance of direct and

indirect free kicks, and the corner kick. Milu's training methods are completely different from the other coaches, including the foreign ones.

Dong Lu, a senior football reporter, has been present at all the Milu led Chinese games.

Milu knew what were the right de-



May the force be with them! Milu's men prepare to face the opponent, Shenyang August 25

Bye-bye, 2001! Hello, 2002!

Photo by Bai Zi

**As the year changes, how are expats doing in Beijing?
What were their stories in 2001?
What are their plans for 2002?**



I have had 20 books published after coming to China

Lisa Carducci, Canadian, author and French language consultant

I first came to China in 1985, for curiosity. But I immediately fell in love with this people and this country.

In 1989, I came to China again because part of the novel I was writing was set in China and I wanted to write it on the spot.

In 1991, I came to China to teach French in a university to have the opportunity to stay here for a longer time. Ten years has passed and I still live in China! I really love the country. I'm absolutely free to leave, but I prefer to stay.

Now I'm a French language consultant at Beijing Review. My Chinese colleagues' French level is quite high, so it's very pleasant to work with them. Moreover, they are kind to me and respectful. We make a good work team.

I was very busy writing and publishing my books in 2001. From March to May, I polished some French books for a Korean publisher and translated two books. One is from Italian to French, and the other is from English to French. In June, my Chinese book, named *Feeling China*, was published and another French novel, *Yellow Curtain*, was published in Canada. In August, I finalized two books about China. Last month I started to write a new book about China in French.

In addition, I gave some interviews on TV and wrote articles for TV Guide, Peoples Daily, Beijing Review and so on.

Besides, I received the "Friendship Award" from vice-premier Qian Qichen, a great honor!

As I have from the very beginning in China, in 2002 I will continue to write.

I have already published 30 books, two thirds of which I published after I came to China.

Next month, *Talking About China* will be out from the Foreign Language Press. I aim to introduce the Western world to the Chinese, and China to the outside world.

I would like to wish our world peace in 2002.



Without hesitation I came here

Alexandre Pierre Remy, French, participant in EU-CHINA Junior Young Manager Training Program

I have been to China before. In 1994 I was sent to Shanghai as an intern for a watch company.

China made a very good impression on me then. It is a big and beautiful country. Chinese people are very friendly and keen on learning about the outside world. I still remember the first taxi driver I met at the airport. I was impressed that he knew several places in France and even Michel Platini.

My experiences at that time convinced me that China would become more and more important in the international market and I really wanted to come back for a longer time.

Seven years later I got the opportunity to study Chinese and business in the EU-CHINA Junior Manager Training Program.

Without hesitation I came here. Although I have been living in Beijing for only four months, I find myself very comfortable with this city and with Chinese culture.

As one of 30 participants from 12 EU countries in the EU-CHINA Junior Young Manager Training Program, I am excited and honored to study and work in China for 15 months.

After taking several intensive language courses in Chinese, I know about 1,000 Chinese characters and words.

However, this is far from enough. I still need to learn how to talk about business and Chinese politics and economics. With my experience as an international manager, this should lay a good foundation for my future career in China.

Next year I will finish my studies and do a three-month internship.

I am looking forward to having more opportunities to integrate myself into Chinese life. Of course I also hope to establish a family in China with my dear girlfriend.

What a wonderful future ahead of me in Beijing!

Interviewed by Zeng Peng



2002 should be a challenging but solid year

Marianne Friese, German, Partner/General Manager of Ketchum Newscan Beijing Office

I came here to run the Beijing office of Ketchum Newscan.

We are an international public relations agency with three offices in China, five in Greater China, and over 50 around the world.

I ran the Ketchum office in Germany and our global brand marketing practice before coming to Beijing.

When I was offered this new position, I was very pleased, as I am always eager to expand my professional and personal experience.

The year 2001 was very dramatic. Personally, I moved from one continent to another. Globally, the economy started to slow down with a dramatic deceleration after September 11.

As Ketchum works for many multinational blue chip clients, we felt these effects quite immediately.

In China during 2001, two major wonderful things happened: Beijing won the 2008 Olympic Games and China officially entered the WTO.

The year 2002 is hard to predict, especially since I am still quite new to China.

Nevertheless, I believe 2002 will be a challenging but solid year economically.

My key task will be to continue to strengthen professional development for colleagues at Ketchum Newscan and to service our clients with lots of passion and precision.

For myself, the year 2002 will be the year to further explore China and to learn more Chinese.

I plan to travel to Hainan and to Tibet. Other destinations I am interested in include the northeast and the south of China.

In a nutshell: 2002 should be very interesting.



I want to get a job in Beijing

Ardak Assylbekova, Kazakhstani, student at Beijing University

I arrived in Beijing in September of this year and was very glad that I was assigned to study here.

When people ask me why I want to study Chinese, I answer that I am interested in China's culture, traditions, moral values and long history.

My aunt has studied Mandarin for a long time and she often visits China. She said China will be prosperous in the future and suggested that I learn Chinese.

So I began studying the language. I studied for two years in my country before coming to Beijing.

Four months in Beijing have greatly enriched my knowledge of China.

I think I am beginning to understand the truest aspects of China's people and their daily lives.

Chinese are warm-hearted. I have made many friends here. I've had the chance to visit some other places, such as Kaifeng, Luoyang and Xi'an. Of course, Beijing itself has a great number of historical sites. A few days ago I went to see the famous Peking opera and circus.

But the most important thing for me is that I have improved my Chinese speaking a lot. Now I can communicate with people pretty easily.

I will spend one year studying Chinese and then continue my studies in Beijing University's Department of International Relations.

I hope to find a job in Beijing after I graduate.



I'll move to SOHO

Daniel Zehner, Swiss, Counselor of Culture and Press, Embassy of Switzerland

The year 2001 wasn't a very special year for our embassy.

In 2000 we celebrated the 50th anniversary of official relations between the People's Republic of China and Switzerland, which made that a very special year with lots of events.

Compared to that year, 2001 was getting back to normal.

The year 2002 will be my last year in China and then I'll go back to Switzerland to resume my original work at Parliament.

I hope to organize some nice events next year, including Swiss Week at People's University, which will present Swiss movies and culture; a photo exhibition in Beijing named "Two Arts on a Jade Stone: Alberto Giacometti Seen through the Camera of Ernst Scheidegger"; and some music exchanges.

We don't want just to bring an exhibition or music groups to China and then send them home. We would like to demonstrate connections between Chinese and Swiss cultures.

In my private life, the important thing for me is that I'll be moving into another apartment at SOHO City early next year.

Now I live in SanAi behind Jianguo Hotel, which is becoming part of the Central Business District (CBD). I can't bear being in the central business district anymore. It's like living on a construction site all the time.

I hope very much in 2002 to have the opportunity to see some places in China since I haven't traveled a lot up to now. I've never been to Xinjiang, for example.

I expect some friends from Switzerland to come to see me since this will be their last chance.

Also, I might buy some old wood furniture and some paintings.

**Interviewed by Ivy Zhang
Photo by Qiu Binbin**



2001 has been a year of change

Steve Hill, British, salsa dance teacher

I first came over to Beijing in May for a holiday and to visit friends who had once lived with me in England for four years. They had a bar that was closing down due to redevelopment.

In a very short time it became obvious that there were many opportunities in the city. One of these was in Latin music and dance. There were two clubs, and a couple of teachers, and a lot of people, Chinese and foreign, wanting to learn.

In England I had been teaching salsa and promoting Latin music events. So during a brief return to England for three weeks, I collected some CDs and stopped my classes in England.

I came back in June and started to build up Salsa Pekina, which is a group of teachers and performers who aim to help Beijing dance.

The year 2001 has been a year of change for me, coming to live in a new and very different country and culture as I have.

I enjoy every day and miss very little about home.

Some things are better here, such as food, climate and cycling. Some are worse, such as cruelty to animals, toilets and spitting! The main thing is to accept the differences and adapt.

Salsa Pekina has done very well, and this has pleased me, of course. We have some really good people working with us, and we have some excellent students.

In six months we have introduced a lot of people to Latin music and dance, which is one of the West's most popular cultures.

At the beginning of each year we make "resolutions" — promises to ourselves — perhaps to give up smoking or to learn to drive.

In 2002 I want to work hard to make Salsa Pekina grow and to work on other projects, including some charity events. I also want to learn more Chinese!



It is an energetic city full of smart and active young people

Gary Rice, American, Fulbright lecturer at Foreign Affairs College

If you want to find something about me on the Internet, you might see a list of people named "Gary Rice" in various fields: a historian, a rock 'n' roll band manager, a journalist, and a professor. They are all me at one time or another in my life.

I worked as a reporter and editor in the United States for 21 years, beginning when I was 14 years old.

After that I began my undergraduate and graduate studies in American history that ended with a Ph.D. During that time I met a very excellent Chinese history professor who got me interested in Chinese history and culture.

Later I continued this affection for China by marrying a Shanghai girl. I think they are both the reasons why I applied to teach in China with the Fulbright program.

I love China. It is such an exciting country with so many contrasts and changes.

When I came here this past August, I was not surprised at all — Beijing is very much like what I expected. It is a comfortable big city where you can easily find western things and at the same time enjoy Chinese culture and traditions.

Beijing also is an energetic city full of smart and active young people who are, in my eyes, the driving force of this dynamic city. Their energy is contagious.

I am very glad to have the opportunity to teach in China. I want to help my Chinese students better understand American history and to help young journalists improve their work. By doing my job, maybe I can do a small part to improve the relationship between China and America.

As for the next year, I will spend most of my time teaching in Beijing. I am available any time Chinese students and journalists have questions and need my help. I am looking forward to an exciting year.

**Interviewed by Zeng Peng
Photo by Wei Tong**

“Made in Japan” was not a guarantee of quality in the minds of Chinese consumers in the year 2001. Some leading Japanese brands were trapped in the mire of dispute in the Chinese market, along with a couple of Western mobile phone brands.

Japanese multinational companies were involved in nearly all the best-known consumer complaint scandals and lawsuits in 2001. Some have even been blamed for racial discrimination against Chinese people. Casio, Mitsubishi Motor, Panasonic, Toshiba, Japan Airlines and All Nippon Airways have all had to answer to the Chinese public.

Isao Kaneko, President of Japan Airlines, at the apologizing ceremony



Photo Provided by PHOTOCOME

By Xiaoxia and Shi Xinyu
Quality Speaks First

The Mitsubishi PAJERO V31 and V33's potential brake failure made these two models sound like terminators on roads to Chinese people. The crises resulted directly from fatal design flaws.

According to test reports issued by the NEEIQB (National Entry-Exit Inspection and Quarantine Bureau), brake fluid leaks caused by friction between the brake sensing valve and the brake fluid transmission valve could occur during the course of normal driving.

On February 9, the NEEIQB issued an urgent announcement to withdraw the PAJERO V31/V32's Quality and Security Certificate of Imported Merchandise and prohibit their import. Also the announcement advised PAJERO V31/V33 owners to carry out a thorough overhaul and to change the brake fluid transmission tube at Mitsubishi Motors special service centers.

Despite providing free emergency overhaul at 44 locations, and the Deputy Manager of the Mitsubishi Corporation Beijing Office apologizing to customers on CCTV2 February 13, this was not enough. Mitsubishi became a target for severe public criticism and the subject of numerous lawsuits.

Casio calculators Fx-3 series' also came in for their share of criticism. The complaints surfaced on March 15, National Consumer Rights Protection Day. Two mathematics teachers in Zhejiang province alleged to their local Consumers' Association that the Casio Fx-3 series could give out the wrong results when doing some calculations. The two complainants had been informing Casio Japan of these problems since 1996, but had been constantly fobbed off.

This case was publicized through local media and web sites and immediately became a hot topic. The final result came out four months later in July: Casio admitted the Fx-3 series' calculating results did not accord with the contents in its user manual and apologized to the public via local media. Casio then appointed four service centers in China for customers who bought the Fx-3600Pv, Fx-3800pv, and Fx-3900Pv from January 1, 1996 to May 18, 2001 to exchange their old calculator for a new one, on production of the original model, a receipt or the guarantee. Each complainant also received a compensation package.

Service Always Counts

Chinese passengers were deeply hurt in January by two top Japanese airline companies, All Nippon Airways and Japan Airlines. The two disputes have almost become a new illustration of Japanese racial discrimination against Chinese people, and in turn have increased Chinese discrimination against Japanese companies.

On New Year's Day, ANA flight

NH905 was delayed at Narita International Airport, Tokyo, due to bad weather in Beijing. Knowing the usual conventions for delayed flights, four Chinese passengers asked All Nippon Airways about the provision of meals and accommodation, but were refused. After further fruitless negotiations, the passengers were left to their own devices in the airport, where they would have remained if they had no friends arrived to rescue.

On January 27, more than 90 Chinese passengers on Japan Airlines flight JL782 landed at Osaka Airport instead of original destination Tokyo, due to bad weather. In the following 20 hours plus, while all other passengers were transferred to local hotels, the Chinese passengers received similar treatment to that of ANA four. They were left in the plane for about 2 hours, then moved to an isolated glass hall in the airport with no seats, no food and water supply and no outside communication.

The ill-treated passengers first complained to the airline companies and asked for an apology. After being ignored, they turned to find support

from local media and the China Consumers' Association even prepared to launch lawsuits.

The service disputes from then on moved somewhat beyond a purely commercial level. Voices began to accuse the airlines of racial discrimination. Even the Chinese government became involved, calling for a quick settlement of the affair. The two companies were forced to adopt an active and cooperative attitude, but the affair and subsequent publicity led to a loss in the Chinese market at the time.

The final results came in July. The General Manager of All Nippon Airways Beijing Office publicly apologized to the four customers in Wu Han, while the President of Japan Airlines signed a reconciliation Agreement and Common Announcement with passenger's representatives in Beijing and apologized.

Compared with the hard time All Nippon Airways and Japan Airlines were given, caused by their own reluctance to provide a service, Panasonic successfully prevented an accident from becoming a crisis through quick reactions and a positive attitude.

Frequent complaints had been received in Guangzhou about Panasonic mobile phone model EB-GD92. After only being used for a month, problems included the phone automatically switching

off, keyboard failure, screen flashing, and wrong codes displayed.

Panasonic Beijing soon found out that partially wrong-sized plug-in materials were responsible for these faults. Besides publicizing the results immediately through the media, the company prepared enough new GD-92 mobile phones to replace the faulty ones. Panasonic Beijing also apologized for the incident, and thanked their customers. Due to their prompt handling of the incident, both their customers and the media calmed down within a month, satisfied with the results.

Crises Management Always in Hand

Crises Management helped Panasonic while giving no help to Epson.

Epson was pushed into credit crisis by a testing report said from Consuming Materials Committee of China Computer Industry Association (CMCCCIA). The report pointed out that when the Epson inkjet printer showed the ink was used up, a huge amount of ink still remained in the Epson special print cartridge. Suddenly, Epson was suffering the wrath of customers' anger.

Based on this report, the secretary-general of the committee, who was later found to have a relationship with one of Epson's competitors, announced to the media that a fatal flaw existed in Epson print cartridges and even suggested that the government force Epson China to recall these products and compensate Chinese consumers. Their competitors took advantage of the report to enlarge their own market shares.

Epson was framed. Dawn Action, the special working team formed by Epson to solve the situation, behaved rather weakly in the face of the fine-planned attack. The only comments customers could hear from them was "the report is unfair".

This crisis lasted till December and was finally resolved by another testing report from the Computer and Microelectronics Development Research Center of National Ministry of Information Industry (CMDRCNMII). The new report proves the Epson print cartridge can print as many pages as it publicly promised and the ink remains also much lower than said in the former report.

"Same as many other Japanese companies, Epson also seems to lack a sense of crises preparation in the China market, so when something happens, their crises management system does not work so efficiently," said Wei Xue, the China Region Vice Chairman of PRAP, a Japanese PR consulting firm. Epson should not be blamed except for its PR solutions.

“Made in Japan”

No More Guarantees



PAJERO, deemed as potential terminator on road



Panasonic GD92, got complained for broken after being used for a month



Epson Inkjet Printer Advertisements can be spotted frequently in Beijing's Subway
Photo by Chen Shuyi

Why Always Japan Companies?

More than half the cases of complaints which Han Shuasheng handled related to Japanese companies. Han is Vice Deputy of the Complaints and Lawsuit Department of the China Consumers' Association. He personally participated in mediating with All Nippon Airways affairs. "But the high rate of complaints should firstly be attributed to Japanese companies' large market share in China," Han explained. The more people use "made in Japan", the more complaints could happen.

Actually no company can guarantee all its products or services are flawless. When an unpredictable accident occurs, the ability to prevent it from escalating into a real crisis is a necessity. Compared to European or American enterprises, Japanese companies behave rather weakly on this point. "They are still reserved in this open market," Wei Xue said.

It is unwise and impossible for enterprises to keep problems hidden from increasingly mature customers, powerful media and wide information acquiring channels. Johnson & Johnson fell into trouble with its Acuvue-series contact lens, products involved in a US lawsuit but never sold in the Chinese market. Information about the lawsuit was found on the Internet by Chinese customers. Because Johnson & Johnson did not explain the matter, loud voices accusing Johnson & Johnson of "cheating" China customers were heard immediately.

Since Chinese people still have sensitive feelings towards Japan dating from the Sino-Japanese War, Japanese companies need to communicate more directly with Chinese customers, especially when disputes occur. Furthermore, feeble crises management capabilities made the trouble worse in some cases.

In the increasingly open and competitive Chinese market, what happened to Japanese companies in 2001 could also happen to any company in future, whether it is domestic or a multinational. The crises Japanese companies encountered in 2001 should be a lesson to all companies operating in China, that they can no longer pull the wool over the eyes of increasingly sophisticated Chinese consumers.

By Xiaoxia and Zhu Lin

The telltale imprint of globalization impacted on the Beijing artistic scene in 2001. It seemed that in all major art forms, including Beijing Opera, musicals and even avant-garde music, the images on the stage turned out to be more and more similar as the melding of different cultural artistic traditions filled audiences' eyes.

Westernized Chinese Culture

Modern electronic sound effects and symphony orchestra instrumentation have been a fashionable choice for Beijing Opera producers from the beginning of the year. Many seemed to believe that it could revitalize ancient Chinese art forms. Based on traditional operatic composer Zhu Shaoyu's productions, *Slapping Water before the Horse*, *Hump-backed Prime Minister* and *Cai Wenji* typified this trend and were a success at the box office. The groundbreaking computer-generated stage atmosphere and electronically controlled voices all helped to grip the audiences' attention.

"Western culture is strong, while the oriental is weak today. That the weaker follows and imitates the stronger is an inevitable pattern," Zhang Yimou, the famous Chinese film director said before the staging of his ballet *Raise the Red Lantern* in May. Zhang combined Beijing opera with ballet to tell a traditional story about concubines. His fame, coupled with the excellent stage direction guaranteed the

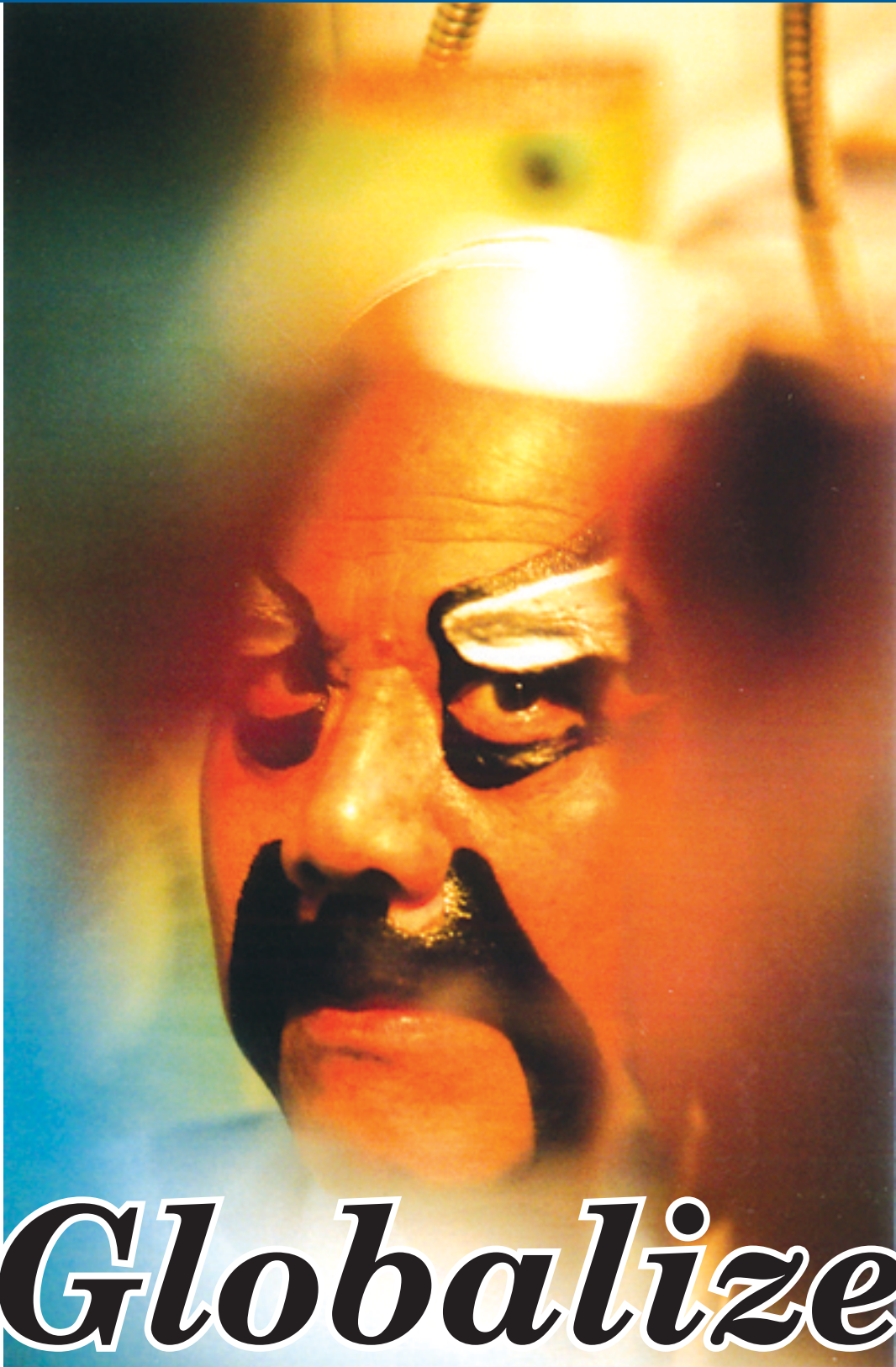


Photo by Jackey

To Globalize Or Not

box-office, and *Raise the Red Lantern* was widely praised for its daring combination of Western and Eastern culture.

Ang Lee won the Best Foreign Film Oscar for *Crouching Tiger, Hidden Dragon*, giving impetus to Chinese artists' ambition in March. Nevertheless, it was more a typical Hollywood story of fights, beauty and a love triangle than an ancient Chinese warrior story, although it can't be denied that the movie does possess some charming moments, such as the bamboo forest fight. Ang Lee's Chinese story was lucky enough "to get a lift from a western car," said Zhang Yimou. Nobody doubts that Ang Lee would have also won the same prize if he had just told an Indian story.

Artists shaped their Chinese works within the framework of western culture mostly for the market response. "I want to let the youth like Peking Opera. I have to change it," Zhu gave as the reason for his modern portrayal of Beijing Opera. Under today's market pressures, it seems that originality must be betrayed by necessity.

Chinese Oriented Western Culture

At the same time, the ancient bricks of the Forbidden City welcomed the top voices of the world. The Three Tenors' concert was held in Beijing on June 23. Pavarotti, Domingo and Carreras, now past



Photo by Lu Beifeng



Photo by Lu Beifeng

The hitting performances this year have caused a great sensation and gained impressive profit on the market. The social significance is even bigger than their artistic value. In contrast, Chinese traditional art forms are standing on the corner of cross-road, facing the question that might not have an answer—to globalize or not.

the golden age of their careers, sang in the open square without hitting high C. The only thing to be praised was the symbolic joining of Eastern and Western culture. Left behind after their voices faded was the high ticket price and the wonderful Chinese-oriented marketing plot. Beyond all expectation, a top price ticket went for up to \$2000.

Ever since then, the performing agents have set a standard for staging grand productions. Andrew Lloyd Webber successfully drew Chinese people's rapt attention at his concert in October. To try to adapt the form of the musical to the Chinese audiences' taste, a selection of the musical highlights in Lloyd-Webber's shows was performed. Fei Xiang and Sandy Lam, pop stars adored by thousands of Chinese music fans turned up onto the stage together with Elaine Paige, one of Webber's favorite musical singers. The 16,000 tickets for the two concert dates were almost sold out, the audience attracted by the appearance of the two Chinese stars, but whose singing couldn't compare to Elaine Paige.

The concert wouldn't have been successful without the sponsors' consideration for the distinctions of the Chinese market. "I think it'll take a long time for Chinese audiences to get accustomed to the musical's art form," said Zheng Dongtian, a leading Chinese director, "We Chinese people prefer more realistic art forms." However

close we are now sitting to Sir Lloyd-Webber, a local musical tradition remains far off in China. Instead of *Phantom of the Opera*, all we got was a "best of".

In contrast, musicals which didn't cater to local tastes proved to be a failure. Half of the audience left George Gershwin's *Porgy and Bess* before the end, put off by the lack of a Chinese translation and an explanation of the Afro-American background to the story. Its failure has halted future stagings of original musicals. Yet again, invisible market forces have lost people the chance to experience Western theatrical performances.

Globalization is artistic Vulgarization

But dissenting voices could also be heard. Music critic Chen Heng said, "Globalization is the most artistic vulgarization." However, the fact remains that globalization is the way to survive and flourish. Whoever chooses to deny the trend stands to encounter a severe situation, including Chinese cultural treasures Kunqu Opera and the music of Zhihua Temple.

Kunqu Opera, with its 500 year history, is the oldest and one of the most influential theatrical traditions in China. Although UNESCO proclaimed Kunqu Opera as "a masterpiece of the Oral and Intangible Heritage of Humanity" on May 18, 2001, it still has to face its declining popularity.

A whole Kunqu Opera usually consists of more than 24 scenes, accompanied by arias with a complex plot and subplot. It requires the actors to be accomplished singers and dancers, as well as performing pantomime, mock combat and acrobatics.

In the broader context of globalization, Kunqu Opera has become too remote from today's world and is now confronted with a severe predicament. Only six Kunqu Opera troupes and one Kunqu training center still preserve the ancient tradition in China. Less than 600 professional performers and a tremendously shrunken repertoire cannot entice people to the theatre. Since 1990, it has not been regularly staged in Beijing. It is said that when the North Kunqu Opera Troupe was established in the 50s, the artists mastered around 660 pieces. But the repertoire today has decreased to about 200 pieces, and only half the number has been staged.

Beijing's Zhihua Temple music shares the same awkward situation as Kunqu Opera. Originating in Zhihua Temple 550 years ago, the music represents Buddhist music in terms of formation, development and religious influence. The music also adopts a relatively confined and strict teaching method: that of master to apprentice.

Because of conservative ideas, the master tended not to lay all his cards on the table, which directly led to the contracting of the repertoire. The existing scores have a total number of over 130 tunes. Benxing, the 79-year-old 26th successor, can only play about 30 pieces.

Besides Benxing, there's only one living master of Zhihua Temple Music. That is 27th generation Fuguang, also aged over 70, but he is sick in bed. "I'm willing to teach more apprentices," said Benxing. But no one wants to learn today.

To globalize seems to be the only way out for these ancient precious arts. Without modern input, *Raise the Red Lantern* was still an ordinary story about a concubine. Nevertheless vulgarization seems to be an unavoidable pit-fall on the road to globalization. For Chinese artists, to globalize or not is the question left at the end of the year 2001.

Experts' Art Impression About 2001

Guo Xiaolu, writer, Lecturer in Broadcast and Television Institute

"I find it's very apparent that there have been more and more young directors. As far as I know, at least ten young directors have shown their first movie to the public this year. Many non-governmental sponsors have invested in their movies.

Traditionally, most Chinese directors graduated from the China Central Drama Institute or Beijing Film Institute, but now, that is changing. Film directors and producers have come from every field. They bring diversified perspectives into movie circles. That's a very good phenomenon.

There is a trend in Chinese film circles that directors don't focus on story telling. Now some of them have changed their minds. They find that actually it's especially hard to complete an interesting story through a movie. And it's the story that keeps audiences in their seats. The screenplay of Jiang Wen's *Looking for the Gun* is the best one I've seen this year. Attentive to the market and audiences' preferences, it pays particular attention about how to tell a tense story.

But under increasing pressure from the market, Chinese film producers have lowered their investment. In the early 1990s, the usual investment for a movie was around six or seven million yuan. Recently, the investment is only likely to be about two or three million yuan. The producers are afraid that they can't gain back the production costs. It implies the film market is still not healthy."

David Zeng, music critic, Senior consultant of Beijing Music Festival

"My impression of the performing stage this year is that there have been too many old programs while it's hard for the new to be accepted. The ballet *Swan Lake* always attracts a large audience. High-quality performances such as the Jazz Ballet from Canada suffered from a low box office.

At the festival this year, I mostly saw old faces. The number of new concert-goers is not enough. On Nov. 1 and 2 at the Fine Arts Quartet's concert, the audience applauded during the movements of the piece again and again. It was so annoying. The audiences' music comprehension has a long way to go.

It's the responsibility of the market to lead the audience, offering them new programs. But the problem is, the quality of the concert sponsors also has a long way to go to improve."

Yuan Hong, Drama producer

"Two things impressed me most this year. One was *Woyzeck*, the drama performed by students from Beijing Institute of Technology during the Exhibition of the College Student Drama Society. The other was *Millennium Teahouse*, Stan Lai's drama staged earlier this month.

Woyzeck achieves a level that the professional drama performers and staff don't meet. The students show a high-quality attitude to the art of drama.

The drama directors and related experts should have been ashamed to see *Millennium Teahouse*. Lai can make such a wonderful connections through Xiangsheng (cross-talk) and drama. But the work got a better response in Shanghai than in Beijing. Maybe there are too many performances on Beijing's stage, and the audiences treat themselves as judges when they watch a performance.

I've noticed that some young directors have shown their courage this year. Huang Jingjing's *Simon in the Desert* didn't do well commercially, but it was a good try.

Interviewed by Zhu Lin

Readers Questionnaire

Dear Sir or Madam,

Beijing Today has been growing up under your care for seven months. Please fill out the form and send it back to the editorial department. We will give you three months free subscription to Beijing Today.

You may ignore any of the blanks which you believe offend you. Any personal information will be kept confidential. Thank you very much for your cooperation.

Your Name	Last Name		
	First Name		
Citizenship		Gender	
Your Age	less than 20	20-30	
	30-40	over 40	
Occupation			
Name of Your Company			
Mailing Address			
Phone Number	Home phone	Business phone	
	Mobile phone		
Email Address	Fax		

Please tick a cross in the space in front of the best answer.

1. Are you
() working or studying in China
() travelling in China
() a permanent resident in China

2. How long have you been in China?
() Less than one year
() One to five years
() More than five years

3. How do you know about Beijing Today?
() Heard from the media
() Picked up from the news stall
() Picked up from your company
() Heard from friend
() Other ways

Please add other comments about Beijing Today on a separate paper.

Please write down "Questionnaire" on the envelope.

Subscription hot line: Ms. Zhao Hong (Chinese service) 65902533, 13801365285. Mr. Chen Ying (English service) 13911114246.

The address of our editorial department is:

Beijing Youth Daily, Room 1809 "Beijing Today"

No. 23, Building A, Baijiazhuang Dongli, Chaoyang District Beijing, China 100026
朝阳区白家庄东里23号院
北京青年报《今日北京》编辑部
100026